

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5347
ANSWERED ON:29.04.2005
CAIT'S OBJECTION OF VAT
Panda Shri Prabodh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the All India Trader's bandh, called by the Confederation of All India Traders (CAIT) to protest against the Value Added Tax (VAT) regime;
- (b) if so, the reaction of the Government thereto;
- (c) whether the Government had any discussion with CAIT; and
- (d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): As VAT is a tax intended to replace the State Sales Tax, it is a State subject. Therefore, an Empowered Committee of State Finance Ministers was set up to decide on all issues relating to implementation of State level VAT.